

## Message Text

CONFIDENTIAL

PAGE 01 TOKYO 14575 01 OF 02 080951Z

11

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 INRE-00 INT-08 SCEM-02 PM-07

H-03 INR-10 L-03 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 /218 W

----- 064984

O R 080845Z NOV 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 8020

INFO AMEMBASSY TEL AVIV

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 14575

DEPT PLEASE PASS SECRETARY'S PARTY IMMEDIATE

E.O. 11652: GDS

TAGS: ENRG, PFOR, JA

SUBJ: GOJ REACTION TO ARAB OIL OUTBACK

SUMMARY: FONOFF UNDER INCREASING PRESSURE FOR JAPAN TO TAKE  
PRO-ARAB DIPLOMATIC INITIATIVE IN ORDER TO GET ARABS TO RE-  
SUME FULL SHIPMENTS CRUDE OIL. APPARENT AGREEMENT EXISTS  
WITHIN GOJ FOR JAPAN TO TAKE NO ACTION UNTIL DISCUSSION THIS  
SUBJECT WITH SECRETARY CONCLUDED. JAPANESE FONOFF OFFICIAL  
ALSO EXPRESSED CONCERN OVER POSSIBLE DISCRIMINATION BY  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 14575 01 OF 02 080951Z

MAJORS IN SUPPLYING OIL TO JAPAN. EMBASSY BELIEVES DIVERSION

OF OIL WOULD SERIOUSLY DAMAGE JAPAN'S LONG-TIME RELATIONS WITH OIL COMPANIES. SUCH ACTION WOULD ALSO ADD WEIGHT TO POSITION OF THOSE IN GOJ WHO ARE CALLING FOR STRONG PRO-ARAB POSITION. END SUMMARY.

1. ON EVENING NOVEMBER 7 ECONCOM/MIN HAD EXTENDED DISCUSSION WITH MR. HIROMICHI MIYAZAKI, DIRECTOR-GENERAL, ECONOMIC AFFAIRS BUREAU, FONOFF, ON SUBJECT OF JAPANESE REACTION TO ARAB OIL CUTBACK AND PRESSURE FOR SOME DRAMATIC ACTION ON PART OF GOJ TO DEMONSTRATE SUPPORT FOR ARAB CAUSE IN CURRENT

MIDDLE EAST SITUATION.

2. MIYAZAKI STATED FONOFF UNDER STRONG AND INCREASING PRESSURE FROM WITHIN GOVERNMENT, FROM LIBERAL DEMOCRATIC PARTY AND FROM BUSINESS CIRCLES TO TAKE DIPLOMATIC INITIATIVE TO

IMPROVE JAPAN'S POSITION VIS-A-VIS ARAB OIL PRODUCING COUNTRIES. HE SAID FONOFF HAS BEEN ABLE TO HOLD OFF CALLS FOR SUCH ACTION FOR PRESENT BY SAYING GOJ MUST WAIT UNTIL SECRETARY KISSINGER ARRIVES IN JAPAN AND GOJ OFFICIALS HAVE HAD OPPORTUNITY TO DISCUSS SITUATION WITH HIM. MIYAZAKI SAID THIS LINE EFFECTIVE FOR PRESENT, BUT SOME ACTION WILL HAVE TO BE TAKEN SHORTLY FOLLOWING SECRETARY'S VISIT IF DISCUSSIONS WITH SECRETARY DO NOT PROVIDE GOJ WITH SOME BASIS FOR BELIEVING THAT SOLUTION TO MIDDLE EAST SITUATION IN SIGHT

WHICH WOULD END ARAB REDUCTIONS IN OIL SUPPLY.

3. MIYAZAKI SAID FONOFF, IN CONSULTATION WITH OTHER CONCERNED MINISTRIES, IS PRESENTLY CONSIDERING LINE GOJ WILL FOLLOW ON THIS SUBJECT IN DISCUSSIONS WITH SECRETARY. NO DECISION HAS YET BEEN REACHED AND IT POSSIBLE THAT FINAL ACTION MAY NOT BE TAKEN UNTIL JUST BEFORE SECRETARY'S ARRIVAL. MIYAZAKI DECLINED GIVE OWN OPINION ON WHAT POSITION GOJ WILL TAKE WITH SECRETARY. HE SAID QUESTION TOO DELICATE AT PRESENT TIME FOR HIM TO GIVE ANYTHING OTHER THAN OFFICIAL VIEW. IN RESPONSE TO REQUEST BY ECONCOM/MIN, MIYAZAKI SAID HE HOPED TO BE ABLE TO PROVIDE EMBASSY WITH GOJ POSITION PRIOR TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 14575 01 OF 02 080951Z

SECRETARY'S ARRIVAL SO THAT SECRETARY COULD BE BRIEFED ON GOJ VIEWS PRIOR TO DISCUSSIONS WITH GOVERNMENT LEADERS.

4. MIYAZAKI SAID ALL CONCERNED DIRECTORS-GENERAL IN FONOFF IN VERY CLOSE CONTACT ON THIS MATTER. HE ALSO SAID HE HAD DISCUSSED MATTER WITH MITI VICE MINISTER EIMEI YAMASHITA AND AGENCY OF NATURAL RESOURCES AND ENERGY DIRECTOR-GENERAL EIJI YAMAGATA. WHILE NOT DIRECTLY STATED, MIYAZAKI'S COMMENTS IN-

DICATED THAT SIGNIFICANT PORTION OF INTER-GOVERNMENT PRESSURE  
ON FONOFF WAYDCROM MITI. MITI'S PRINCIPAL ENERGY ADVISOR  
MOROZUMI, IN SEPARATE CONVERSATION WITH ECONCOM/MIN THAT  
EVENING IN EFFECT CONFIRMED THIS LATTER POINT.

5. MIYAZAKI STATED THAT AT PRESENT THERE APPEARED TO BE  
ONLY TWO OPTIONS OPEN TO GOJ ON DIPLOMATIC FRONT THAT WOULD  
SATISFY ARABS. FIRST WOULD BE TO BREAK DIPLOMATIC RELATIONS  
WITH ISRAEL AND SECOND WOULD BE TO SUPPLY ARMS TO ARAB X  
COUNTRIES. HE INDICATED THAT HE DID NOT CONSIDER FIRST  
OPTION LIKELY AND THAT SECOND WOULD BE INCONCEIVABLE. HE  
SAID THERE DID NOT APPEAR TO BE ANY THIRD OPTION AT PRESENT  
TIME. HE ADDED THAT SITUATION COMPLICATED BY FACT JAPAN  
DOES NOT KNOW WHO IS CALLING TUNE FOR ARABS. IN SUCH A  
SITUATION IT DIFFICULT FOR JAPAN TO KNOW TO WHICH REQUEST  
IT SHOULD RESPOND.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 TOKYO 14575 02 OF 02 081202Z

14

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 INRE-00 INT-08 SCEM-02 PM-07

H-03 INR-10 L-03 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 /218 W

----- 066102

O R 080845Z NOV 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 8021

INFO AMEMBASSY TEL AVIV

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 2 OF 2 TOKYO 14575

DEPT PLEASE PASS SECRETARY'S PARTY IMMEDIATE

6. MIYAZAKI ALSO VOICED CONCERN THAT U.S. MAJOR OIL COMPANIES MAY BE REDUCING SUPPLIES TO JAPAN TO A GREATER DEGREE THAN THAT REQUIRED BY ARAB PRODUCTION CUTS. HE SPECULATED THAT THIS BEING DONE BY DIVERTING CRUDE FROM UNAFFECTED SOURCES (E.G. IRAN AND INDONESIA) FROM JAPAN TO U.S. OR TO OTHER POINTS. HE EXPRESSED PARTICULAR CONCERN THAT CALTEX MIGHT BE CUTTING BACK ON ITS SUPPLY OF INDONESIAN CRUDE TO JAPAN.

HE SAID THERE HAD ALREADY BEEN SPECULATION ALONG THESE LINES IN TOTAL PRESS AND REPORTERS WERE BUSY GATHERING ALL AVAIL-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 14575 02 OF 02 081202Z

ABLE FACTS. HE SAID THAT IF IT TURNED OUT TO BE TRUE THAT U.S. MAJOR OIL COMPANIES WERE IN FACT DISCRIMINATING AGAINST JAPAN AND IF GOJ DID NOT TAKE ACTION IN LIGHT OF SITUATION, GOJ WOULD COME UNDER VERY HEAVY ATTACK FROM UNFRIENDLY PRESS. HE EXPRESSED DEEP CONCERN OVER SERIOUS ADVERSE EFFECT THAT SUCH A SITUATION WOULD HAVE ON U.S./JAPAN RELATIONS.

7. LOCAL OFFICIAL OF CALTEX (LARGEST SUPPLIER OF CRUDE OIL TO JAPAN) IN CHARGE OF CRUDE OIL SUPPLY TOLD EMBOFF NOV 8 THAT CUTS CLATEX MAKING IN JAPAN WERE HIGHER THAN HE HAD EXPECTED AND HINTED THAT HE PERSONALLY BELIEVED THAT CUT-BACK EXCEEDED LEVEL OF CUTS IMPOSED ON CALTEX BY OAPEC NATIONS. HE AVOIDED DIRECT COMMENT ON PRESS REPORT THAT CALTEX WOULD NOT SUPPLY INDONESIAN MINES OIL TO JAPAN AFTER DECEMBER 1.

8. IN SEPARATE CONVERSATION, DIRECTOR GENERAL OF ME AND AFRICA BUREAU, HIDEHO TANAKA, GAVE EMBOFF ACCOUNT VERY SIMILAR TO MIYAZAKI'S. CLEAR MESSAGE WAS THAT FONOFF HAD ONLY ONE PERSUASIVE ARGUMENT TO STAND OFF THOSE IN MITI WHO WANTED TO TAKE QTE ANY ACTION NECESSARY UNQTE TO MAINTAIN FLOW OF OIL TO JAPAN. THIS WAS THAT GOJ LEADERS MUST CONSULT WITH SECRETARY ANDDETERMINE PROGRESS BEING MADE TOWARD SOLUTION TO ME SITUATION BEFORE MAKING MAJOR FOREIGN POLICY DECISIONS AFFECTING ME.

9. COMMENT: AS NOTED IN PREVIOUS MESSAGES, EMBASSY IS CONCERNED OVER EFFECT ON FUTURE JAPANESE PETROLEUM POLICIES, SHOULD U.S. MAJORS INDEED BE SUPPLYING LESS OIL TO JAPANESE MARKET THAN MIDDLE EAST PRODUCTION CUTS WOULD WARRANT. WE ARE, OF COURSE, FULLY APPRECIATIVE OF IMPACT OF ARAB

ACTIONS ON U.S. DOMESTIC OIL REQUIREMENTS. HOWEVER, WE  
BELIEVE THAT DISCRIMINATION BY MAJORS AGAINST JAPAN BY  
DIVERTING JAPAN'S USUAL SUPPLIES FROM UNAFFECTED SOURCES  
WOULD NOT ONLY SERIOUSLY DAMAGE JAPAN'S LONG-TERM RELATIONS  
WITH MAJORS, BUT WOULD ADD WEIGHT TO POSITION OF THOSE IN  
GOJ WHO ARE CALLING FOR STRONG PRO-ARAB POSITION.  
INGERSOLL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, EXPORTS, SUPPLIES, PETROLEUM PRODUCTION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973TOKYO14575  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731145/aaaabhwg.tel  
**Line Count:** 229  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Nov-2001 by willialc>; APPROVED <13-Dec-2001 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOJ REACTION TO ARAB OIL OUTBACK SUMMARY: FONOFF UNDER INCREASING PRESSURE FOR JAPAN TO TAKE  
**TAGS:** ENRG, PFOR, JA, XF, XA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005